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**APRIL 22, 2003
FOR IMMEDIATE RELEASE**

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COUPLE INDICTED FOR FRAUD AND TAX EVASION

BALTIMORE, Maryland - Thomas M. DiBiagio, United States Attorney for the District of Maryland, announced today that a federal grand jury has indicted Gregory Dutcher, age 45, and wife Kimberly Ruark, age 35, of Easton, Maryland for perpetrating a scheme to defraud and for tax evasion. The twenty-two count indictment charges Dutcher with soliciting and accepting advance fees from clients by fraudulently representing that he would obtain financing for them, and with failing to report and pay income taxes on the proceeds of his scheme. Ruark is charged with participating in a conspiracy with Dutcher to defraud the IRS.

The indictment alleges that Dutcher: falsely represented that he and various business entities he controlled had the ability and intention to obtain financing for clients in amounts ranging from less than \$1 million to approaching \$100 million dollars; falsely represented that he had obtained such financing for numerous clients in the past; and provided false and fraudulent financial documents to back up his claims. The indictment further alleges that in order to induce clients to pay large advance fees to himself and his companies, Dutcher falsely and fraudulently represented that the fees were refundable, that they could be insured by surety bonds, and that the promised financing was imminent – whereas in fact no such financing was available. The indictment alleges

that through these measures, Dutcher was able to obtain more than \$5 million from more than 200 victims.

The defendant is also charged with the crimes of money laundering, bank fraud and submitting a false loan application for actions related to his scheme to defraud.

The indictment further alleges that Dutcher and Ruark conspired to evade federal income taxes due and owing on the proceeds of the scheme and on income from Ruark's legitimate employment. Dutcher is charged with federal income tax evasion by filing false returns and other false forms with the IRS, and by failing to file certain other required federal income tax returns. Ruark is also charged with filing a false tax return.

The maximum penalty for the charges against Dutcher and Ruark is five years imprisonment and a fine of \$250,000.

An indictment is not a finding of guilt. An individual charged by indictment is presumed innocent unless and until proven guilty at some later criminal proceedings.

The criminal charges in this indictment are the result of a joint investigation by the Federal Bureau of Investigation, the Internal Revenue Service - Criminal Investigation, and the United States Attorney's Office. The case is being prosecuted by Assistant U.S. Attorneys Dale P. Kelberman and Michael J. Leotta.

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